[Mr. R. Nilakanta Pillai.]

water supply on account of any slip from the hill sides. Experience of the last two monsoons has shown that such a course is highly necessary as a portion of the hill through which the water has to be diverted has been slipping and sliding slowly year after year. With the tunnel which will be driven right through the mountains the water course will be entirely free from any such dangers and in a scheme of this nature where the implications are of a far-reaching character, every precaution to ensure continuous supply has to be taken. These are the main reasons why the estimate figures show an increase over those stated in the last Budget Session. Further, provision has now been made for interest charges for the period of construction when the capital will be unremunerative. The whole estimated cost is distributed under the various sub-heads as follows :—

Head Works	Rs	31·73
Transmission	Rs	22·07
Distribution	Rs	5·96
Supervision	Rs	3·00
Contingencies	Rs	2·50
Other miscellaneous charges including interest on Capital outlay	Rs	5·50
Total	Rs	70·76

or roughly Rs 70 80 lakhs.

With the assurance of a definite connected load which will bring in a consumption of 7 to 8 million units per annum from the very commencement, the financial aspect appears to be sound as it might be possible to meet interest charges and working expenses from the early stages of operation. The scheme has already been taken in hand for execution and the preliminary works in connection with the construction of staff quarters and road are already in progress. A Special Engineer experienced in tunnel construction and who was till recently in the Punjab Government service in the Uhl river project has been appointed and he is organising the works in connection with the Tunnel Driving. Specifications for the various items of plant and machinery are under preparation and contracts will be placed after inviting tenders by January 1934. A provision of Rs 10 lakhs is therefore made in the next year's budget under the head Pallivasal Hydro-Electric Scheme.

42. *Sinking Funds.*—The Sinking Fund created in connection with the Shencotta—Quilon Railway is expected to amount to Rs 75·38 lakhs at the close of the next year. The whole amount remains invested in gilt-edged securities.

Our Debenture Loan Liability stands at Bh. Rs 14,49,000. The whole amount is repayable in 1941. To repay this debt, Government have a Sinking Fund which will amount to Rs 9,71,000 at the close of 1108 and to Rs 10,55,000 at the end of the next year. The usual

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practice has been to invest in Government of India Securities the whole of the uninvested balance to the credit of the Fund every year. The uninvested balance for the current year amounts to Rs 80,400. It has been thought advisable to invest this balance in the State 5 per cent. notes, to the extent possible instead of going in for Government of India Securities. Government have accordingly begun to purchase at par 5 per cent. State Pro-notes for the Sinking Fund and so far notes of the face value of Bh. Rs. 50,000 have been obtained. The arrangement appears popular among the small investors and they readily part with their holdings in return for immediate cash. The number of small investors is however few. Exclusive of the investments in the State 5 per cent. loan, the rest of the Sinking Fund balance up to the close of 1108 is invested in the Government of India Securities.

43. *State Life Insurance.—Public Branch.*—A scheme for a Public Insurance was recently sanctioned by Government. The premium tables are being examined once again and the scheme in its final form will be introduced early next year.

44. *The State Provident Fund.*—The State Provident Fund Scheme organised with effect from 1st Meenam 1107 with a view to provide facilities for Government Servants to invest a portion of their savings to serve as an asset at the time of retirement has proved to be popular and the number of subscribers to the Fund now stands at 4,300.

45. *Loans made by Government.*—An allotment of Rs 4 lakhs has been provided in the next year's budget for the grant of loans under the Land Improvement and Agricultural Loans Regulation including Rs 1 lakh for the grant of special loans to the Punja cultivators in Kuttanad. A provision of Rs 1 lakh for Industrial Loans and of another Rs 60 of a lakh for Miscellaneous Loans and Advances has also been made for the next year.

46. *Loan to the Port Conservancy Board, Cochin.*—The fourth stage of the Cochin Harbour works will be undertaken shortly and according to the tripartite agreement between Travancore, Cochin and British Government these works have to be financed in the first instance by money provided by the Government of Madras and the Governments of the two States. The estimated cost on account of the works for the year 1932-33 was forecasted at Rs 4·89 lakhs and the Travancore Government's share *viz*: Rs 1·63 lakhs has been disbursed to the Harbour authorities on a loan system by debit to Debt Head-Loans. The Loan to the Port Conservancy Board, Cochin, is on the following conditions:—

i. The loan will be free of interest up to 31st March 1943 and will bear interest thereafter at 5 per cent. per annum.

ii. It will be repaid in 60 half yearly equated payments of Rs. 5,274 (inclusive of interest) payable on 30th September and 31st March of each year, the first repayment becoming due on 30th September 1943.

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